

Adopted	Rejected
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## COMMITTEE REPORT

YES:	11
NO:	0

### MR. SPEAKER:

*Your Committee on* **Judiciary**, to which was referred Senate Bill 561, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 36-8-8-18 IS AMENDED TO READ AS
- 4           FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) Except as
- 5           provided in subsection (b), if a unit becomes a participant in the 1977
- 6           fund, credit for prior service by police officers (including prior service
- 7           as a full-time, fully paid town marshal or full-time, fully paid deputy
- 8           town marshal by a police officer employed by a metropolitan board of
- 9           police commissioners) or by firefighters before the date of participation
- 10          may be given by the PERF board only if:
- 11           (1) the unit contributes to the 1977 fund the amount necessary to
- 12           amortize prior service liability over a period of not more than
- 13           forty (40) years, the amount and period to be determined by the
- 14           PERF board; and
- 15           (2) the police officers or firefighters pay, either in a lump sum or
- 16           in a series of payments determined by the PERF board, the

amount that they would have contributed if they had been members of the 1977 fund during their prior service.

If the requirements of subdivisions (1) and (2) are not met, a fund member is entitled to credit only for years of service after the date of participation.

(b) If a unit becomes a participant in the 1977 fund under section 3(c) of this chapter, or if a firefighter becomes a member of the 1977 fund under section 7(g) of this chapter, credit for prior service before the date of participation or membership shall be given by the PERF board as follows:

(1) For a member who will accrue twenty (20) years of service credit in the 1977 fund by the time the member reaches the earliest retirement age under the fund at the time of the member's date of participation in the 1977 fund, the member will be given credit in the 1977 fund for one-third (1/3) of the member's years of participation in PERF as a police officer, a firefighter, or an emergency medical technician.

(2) For a member who will not accrue twenty (20) years of service credit in the 1977 fund by the time the member reaches the earliest retirement age under the fund at the time of the member's date of participation in the 1977 fund, such prior service shall be given only if:

(A) The unit contributes to the 1977 fund the amount necessary to fund prior service liability amortized over a period of not more than ten (10) years. The amount of contributions must be based on the actual salary earned by a first class firefighter at the time the unit becomes a participant in the 1977 fund, or the firefighter becomes a member of the 1977 fund, or if no such salary designation exists, the actual salary earned by the firefighter. ~~However, credit for prior service is limited to the amount necessary to allow the firefighter to accrue twenty (20) years of service credit in the 1977 fund by the time the firefighter reaches the earliest retirement age under the 1977 fund at the time of the member's date of participation in the 1977 fund.~~ The limit on credit for prior service does not apply if the firefighter was a member of the 1937 fund or 1977 fund whose participation was terminated due to the creation of a new fire protection district

1 under IC 36-8-11-5 and who subsequently became a member  
 2 of the 1977 fund. A firefighter who was a member of or  
 3 reentered the 1937 fund or 1977 fund whose participation was  
 4 terminated due to the creation of a new fire protection district  
 5 under IC 36-8-11-5 is entitled to full credit for prior service in  
 6 an amount equal to the firefighter's years of service before  
 7 becoming a member of or reentering the 1977 fund. Service  
 8 may only be credited for time as a full-time, fully paid  
 9 firefighter or as an emergency medical technician under  
 10 section 7(g) of this chapter.

11 (B) The amount the firefighter would have contributed if the  
 12 firefighter had been a member of the 1977 fund during the  
 13 firefighter's prior service must be fully paid and must be based  
 14 on the firefighter's actual salary earned during that period  
 15 before service can be credited under this section.

16 (C) Any amortization schedule for contributions paid under  
 17 clause (A) and contributions to be paid under clause (B) must  
 18 include interest at a rate determined by the PERF board.

19 (3) If, at the time a unit entered the 1977 fund, the unit  
 20 contributed the amount required by subdivision (2) so that a fund  
 21 member received the maximum prior service credit allowed by  
 22 subdivision (2) and, at a later date, the earliest retirement age was  
 23 lowered, the unit may contribute to the 1977 fund on the fund  
 24 member's behalf an additional amount that is determined in the  
 25 same manner as under subdivision (2) with respect to the  
 26 additional prior service, if any, available as a result of the lower  
 27 retirement age. If the unit pays the additional amount described in  
 28 this subdivision in accordance with the requirements of  
 29 subdivision (2), the fund member shall receive the additional  
 30 service credit necessary for the fund member to retire at the lower  
 31 earliest retirement age.

32 (c) This subsection applies to a unit that:

33 (1) becomes a participant in the 1977 fund under section 3(c) of  
 34 this chapter; and

35 (2) is a fire protection district created under IC 36-8-11 that  
 36 includes a township or a municipality that had a 1937 fund.

37 A firefighter who continues uninterrupted service with a unit covered  
 38 by this subsection and who participated in the township or municipality

1 1937 fund is entitled to receive service credit for such service in the  
 2 1977 fund. However, credit for such service is limited to the amount  
 3 accrued by the firefighter in the 1937 fund or the amount necessary to  
 4 allow the firefighter to accrue twenty (20) years of service credit in the  
 5 1977 fund by the time the firefighter becomes fifty-five (55) years of  
 6 age, whichever is less.

7 (d) The unit shall contribute into the 1977 fund the amount  
 8 necessary to fund the amount of past service determined in accordance  
 9 with subsection (c), amortized over a period not to exceed ten (10)  
 10 years with interest at a rate determined by the PERF board.

11 (e) If the township or municipality has accumulated money in its  
 12 1937 fund, any amount accumulated that exceeds the present value of  
 13 all projected future benefits from the 1937 plan shall be paid by the  
 14 township or municipality to the unit for the sole purpose of making the  
 15 contributions determined in subsection (d).

16 (f) To the extent permitted by the Internal Revenue Code and the  
 17 applicable regulations, the 1977 fund may accept, on behalf of a fund  
 18 member who is purchasing permissive service credit under this chapter,  
 19 a rollover of a distribution from any of the following:

20 (1) A qualified plan described in Section 401(a) or Section 403(a)  
 21 of the Internal Revenue Code.

22 (2) An annuity contract or account described in Section 403(b) of  
 23 the Internal Revenue Code.

24 (3) An eligible plan that is maintained by a state, a political  
 25 subdivision of a state, or an agency or instrumentality of a state or  
 26 political subdivision of a state under Section 457(b) of the  
 27 Internal Revenue Code.

28 (4) An individual retirement account or annuity described in  
 29 Section 408(a) or Section 408(b) of the Internal Revenue Code.

30 (g) To the extent permitted by the Internal Revenue Code and the  
 31 applicable regulations, the 1977 fund may accept, on behalf of a fund  
 32 member who is purchasing permissive service credit under this chapter,  
 33 a trustee to trustee transfer from any of the following:

34 (1) An annuity contract or account described in Section 403(b) of  
 35 the Internal Revenue Code.

36 (2) An eligible deferred compensation plan under Section 457(b)  
 37 of the Internal Revenue Code."

38 Page 4, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 6. IC 36-8-10.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) The education board shall adopt rules under IC 4-22-2 establishing minimum basic training requirements for full-time firefighters and volunteer firefighters, **subject to subsection (b).** ~~that~~ **The requirements** must include training in the following areas:

- (1) Orientation.
- (2) Personal safety.
- (3) Forcible entry.
- (4) Ventilation.
- (5) Apparatus.
- (6) Ladders.
- (7) Self-contained breathing apparatus.
- (8) Hose loads.
- (9) Streams.
- (10) Basic recognition of special hazards.

**(b) A person who fulfills the certification requirements for:**

- (1) Firefighter I, as described in 655 IAC 1-2.1-4; or**
- (2) Firefighter II, as described in 655 IAC 1-2.1-5;**

**is considered to comply with the requirements established under subsection (a).**

~~(b)~~ **(c)** In addition to the requirements of subsections (a) and ~~(b)~~, **(d)**, the minimum basic training requirements for full-time firefighters and volunteer firefighters must include successful completion of a basic or inservice course of education and training on sudden infant death syndrome that is certified by the emergency medical services commission (created under IC 16-31-2-1) in conjunction with the state health commissioner.

~~(c)~~ **(d)** In addition to the requirements of subsections (a) and ~~(b)~~, **(c)**, the minimum basic training requirements for full-time and volunteer firefighters must include successful completion of an instruction course on vehicle emergency response driving safety. The education board shall adopt rules under IC 4-22-2 to operate this course.

SECTION 7. IC 36-8-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This chapter applies to a county ~~having:~~ **that has:**

- (1) a consolidated city; ~~or~~
- (2) a population of more than one hundred eighty-two thousand

seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

**(3) adopted an ordinance providing for the county to be governed by this chapter.**

However, sections 9.5, 15, 16, 17, and 18 of this chapter apply only to a county having a consolidated city.

SECTION 8. IC 36-8-15-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) This subsection applies to a county ~~not having a consolidated city. that has a~~ **population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).** For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the local government tax control board shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the local government tax control board shall reduce the maximum permissible

ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the board, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the local government tax control board shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the board, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

**(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.**

SECTION 9. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "board" refers to the following:

(1) For the 1925 fund, the local board as referenced in IC 36-8-6-2.

(2) For the 1937 fund, the local board as referenced in IC 36-8-7-3.

(3) For the 1953 fund, the local board as referenced in IC 36-8-7.5-2.

(4) For the 1977 fund, the PERF board as referenced in

1           **IC 36-8-8-4.**

2           **(b) As used in this SECTION, "member" means an individual**  
3 **who is a member of any of the following funds:**

4           **(1) 1925 police pension fund (IC 36-8-6) (1925 fund).**

5           **(2) 1937 firefighters' pension fund (IC 36-8-7) (1937 fund).**

6           **(3) 1953 police pension fund (Indianapolis) (IC 36-8-7.5) (1953**  
7 **fund).**

8           **(4) 1977 police officers' and firefighters' pension and**  
9 **disability fund (IC 36-8-8) (1977 fund).**

10          **(c) A member:**

11           **(1) who, after March 14, 2006, and before July 1, 2006, made**  
12 **or attempted to make an election to enter a deferred**  
13 **retirement option plan (DROP) under IC 36-8-8.5-9 with a**  
14 **DROP retirement date (as defined in IC 36-8-8.5-8) after**  
15 **December 31, 2007; and**

16           **(2) whose election under subdivision (1) was not approved;**  
17 **is entitled to resubmit the election described in subdivision (1) as**  
18 **initially submitted.**

19          **(d) A member may not resubmit an election described in**  
20 **subsection (c) after July 1, 2007.**

21          **(e) For an election that is resubmitted under subsection (c), the**  
22 **board shall:**

23           **(1) accept the election as resubmitted; and**

24           **(2) use the DROP entry date (as defined in IC 36-8-8.5-6) and**  
25 **the DROP retirement date (as defined in IC 36-8-8.5-8) shown**  
26 **on the resubmitted election as the dates the member enters**  
27 **and exits the DROP.**

28          **(f) This SECTION expires December 31, 2007."**



- 1 Page 4, after line 15, begin a new paragraph and insert:
- 2 "SECTION 11. **An emergency is declared for this act.**".
- 3 Renumber all SECTIONS consecutively.  
(Reference is to SB 561 as reprinted February 26, 2007.)

**and when so amended that said bill do pass.**

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Representative Lawson L